



Budget Tidbits... just the facts

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Senate Ways & Means

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The Year to Reform Government, Part III Titanic Forges Ahead – Another Missed Opportunity

Majority party votes against reopening Collective Bargaining Agreements

I. Role of Minority Party

The minority party plays an important role. Its job is to be constructive, offer advice and solutions to the problems confronting the state, and, when appropriate, be willing to compromise with the majority, so that the end product is better than if passed by majority votes alone.

That's exactly what happened last week on [Senate Bill 6503](#), the so-called "furlough" bill. Yet, as has become common in Olympia, the advice, alternatives, and compromise were rejected.

Prior to the session I made an analogy that the past few years have felt like being a passenger on the *Titanic*. Time after time, efforts are made to try to get the captain to alter the course of the ship. Yet, time after time, nothing changes. The captain forges the ship ahead, unable or unwilling to use the available tools to stop the oncoming disaster. This happened again last week.

II. Majority Party Rejects Amendment Requiring Reopening of CBAs

The [initial version](#) of SB 6503 was unsound policy.¹ It would have required sixteen unpaid days of leave for most state workers over the rest of the biennium. This was unsound on two fronts: first, state government would have been for all intents and purposes shut down for those days, with little regard for citizen impact or possible alternatives to achieve such savings; and second, the savings would have been entirely one-time. The state workforce would have been the same size, with the same permanent salaries and benefits, entering next biennium.

With the [second version](#) of the bill, the majority party made some improvements, allowing agencies some flexibility in how the employee savings were to be achieved; made some backwards steps, shrinking the 2009-11 general fund savings by nearly one-third and total fund savings by over one-half from the original proposal; and left a fundamental issue unaddressed, namely requiring the savings to carry forward to the next biennium.²

During the Senate Ways and Means Committee debate on the second version of the bill, Sen. Phil Rockefeller, D-Bainbridge Island, introduced an amendment that would have greatly strengthened the bill. Sen. Rockefeller proposed upping the savings beyond the original version, as well as declaring a “significant revenue shortfall” and requiring the existing CBAs be reopened to achieve such savings. Under RCW 41.80.010(6), if the Legislature or governor declares a significant revenue shortfall has occurred, then the parties to the state's collective bargaining agreements must return to the negotiating table to modify those agreements.³ After a third internal Democrat caucus on the bill, Sen. Rockefeller emerged to withdraw his amendment, and the committee went on to adopt the substitute bill without such changes.

Later that day, with a floor vote on the bill coming the following day, I presented a compromise to the majority party: Retain the smaller savings level of \$69 million; require the savings to continue forward into the next biennium; and declare a significant revenue shortfall that would require re-opening the CBAs to achieve such savings.⁴ This was a compromise because it offered much smaller savings this biennium than if we had our druthers, but it was necessary to meet halfway to achieve a better outcome: savings in 2011-13.

Unfortunately, there would be no meeting halfway. My compromise, offered as a [floor amendment](#), was rejected; the savings from the bill as adopted by the Senate are expected to be largely one-time; and the [Collective Bargaining Agreements](#) signed by the governor after the 2009 session remain in place. This is especially troubling because those agreements will remain in effect as long as halfway through next biennium, meaning for potentially the next two and a half-years employees’ share of health benefits will be protected at an unsustainable 12% rate and “step-increase” pay raises will continue for 40% of represented employees.⁵

On a side note, the other bill passed in the Senate last week, SB 6382, would continue the salary freeze (in effect since mid-February 2009) for non-union employees only. When an amendment was offered to make the freeze apply to represented/union employees as well, the majority party rejected it.⁶ The only rationale offered was by Senate Majority Leader Lisa Brown, who stated the majority party is not opposed to a salary freeze for union workers but feels its hands were legally tied by the CBAs signed by the governor, which guarantee certain represented/union workers annual 5% wage increases. However, Sen. Brown’s statement, far from a reason for opposing the “salary freeze for all” amendment, was an example of why the Legislature should have utilized its authority under RCW 41.80.010(6), declared a significant revenue shortfall, and required the agreements to be re-opened.

III. Irony: Majority Party Votes Against Declaring ‘Significant Revenue Shortfall’, Yet Will Likely Raise Taxes

Despite prior claims that state government has not seen such a crisis since the Great Depression,⁷ the majority party voted against declaring a significant revenue shortfall.

Apparently the state's revenue shortfall is significant only when it comes to discussing the rationale for new taxes. When it comes to declaring a shortfall to help preserve vital services by requiring labor contracts be renegotiated to achieve ongoing savings, such a declaration is *verboten*.

Bottom Line

Did the Legislature miss an opportunity by voting against declaring a “significant revenue shortfall” and requiring the existing Collective Bargaining Agreements to be renegotiated?

1. SB 6503. <http://wsldocs/2009-10/Pdf/Bills/Senate%20Bills/6503.pdf>
2. SSB 6503. <http://wsldocs/2009-10/Pdf/Bills/Senate%20Bills/6503-S.pdf> (Fiscal note savings decline from \$92.7 million GFS and \$158.6 million total funds in 2009-11 to \$69.1 million general fund and total fund savings.)
3. RCW 41.80.010(6) provides: "If, after the compensation and fringe benefit provisions of an agreement are approved by the legislature, a significant revenue shortfall occurs resulting in reduced appropriations, as declared by proclamation of the governor or by resolution of the legislature, both parties shall immediately enter into collective bargaining for a mutually agreed upon modification of the agreement."
4. Floor amendment. <http://wsldocs/2009-10/Pdf/Amendments/Senate/6503-S%20AMS%20ZARE%20JONE%20011.pdf>
5. See RCW 41.80.010(7) which provides that collective bargaining agreements shall continue one year past their expiration date, if the parties cannot reach agreement on a subsequent agreement. See also Zarelli Tidbit on Governor's 2009-11 Collective Bargaining Agreements -- <http://www.senaterepublicans.wa.gov/budgettidbits/2009/120809BudgetTidbit.pdf>
6. Floor amendment proposing salary freeze for all. <http://wsldocs/2009-10/Pdf/Amendments/Senate/6382-S%20AMS%20ZARE%20MOOR%20120.pdf>
7. Sen. Brown blog entry stating crisis is worst since Great Depression: <http://blog.senatedemocrats.wa.gov/brown/what-does-the-situation-look-like-in-2010/>